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WAR FOOD ADMINISTRATION
Office of Distribution
Washington 25, D. C.

July 28, 1944

MEMORANDUM TO DRIED EGG CONTRACTORS

Contracts under Dried Egg Announcements FSC-1833 and Awd-118

On July 3, 1944, this office notified dried egg contractors holding contracts under Dried Egg Announcement FSC-1833 that the Finance Division requires that there be withheld pending audit the amount claimed on the final voucher or an amount equal to 5% of the total amount due under the contract, whichever is smaller. Dried egg contractors holding contracts under Dried Egg Announcement Awd-118 are notified that the same procedure will apply to such contracts.

In lieu of the procedure for withholding amounts on vouchers, a contractor at his option may furnish a surety bond (with form and surety to be approved by War Food Administration) under the conditions set forth below. Upon furnishing the bond, all amounts withheld will be released and no further amounts will be withheld under the contract.

In the event the contractor desires to have the bond apply to only one contract, the amount of the bond shall be 5% of the total quantity of powder included in the contract times \$1.10. The condition of the bond shall be as follows:

"THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal has entered into a contract (insert number) with the Government for the sale of dried whole eggs, under the terms of which contract payments are made on the basis of costs plus conversion charges, and whereas interim payments will be made to principal by the Government during the operation of the contract, which payments may be adjusted by audit findings and determinations of the War Food Administration.

"NOW THEREFORE, If the principal shall promptly, upon demand therefor made by the War Food Administration, refund any and all sums of money which the War Food Administration shall determine have been overpaid under the terms of the contract, notice of which demand to the surety being hereby waived, or if the War Food Administration does not make demand for such refund within 90 calendar days after the principal has notified the War Food Administration that deliveries under the contract have been completed, then this obligation to be void, otherwise to remain in full force and virtue."

In the event the contractor desires to have the bond apply to all contracts which have been or may be entered into with the Government for the sale of dried whole eggs, the amount of the bond shall be \$25,000. The condition of the bond shall be as follows:

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"THE CONDITION OF THIS OBLIGATION IS SUCH, that whereas the principal has entered into and may enter into contracts with the Government for the sale of dried whole eggs, under the terms of which contracts payments are made on the basis of costs plus conversion charges, and whereas interim payments will be made to principal by the Government during the operation of the contracts, which payments may be adjusted by audit findings and determinations of the War Food Administration.

"NOW THEREFORE, If the principal shall promptly, upon demand therefore made by the War Food Administration, refund any and all sums of money which the War Food Administration shall determine have been overpaid under the terms of said contracts, notice of which demand to the surety being hereby waived, then this obligation to be void, otherwise to remain in full force and virtue."

A certified check may be submitted in lieu of a bond in the same amounts and under the same conditions as set forth above.

The bond or certified check shall be forwarded to Edmund G. Benser, Chief Fiscal Officer, Office of Distribution, War Food Administration, Washington, D. C.

/s/ M. L. Brenner

M. L. Brenner, Chief
Procurement and Price Support Branch
Office of Distribution

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